



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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First District

Yvonne Brathwaite Burke
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September 2, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 3 TO DELINQUENT PATIENT ACCOUNT
COLLECTION LETTER SERVICES AGREEMENTS WITH COMPUTER
CREDIT, INC. AND USCB, INC.**
(All Districts) (3 votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 3 to Delinquent Patient Account Collection Letter Services Agreements with Computer Credit, Inc. (CCI) (County Contract No. H210688) and USCB, Inc. (USCB) (County Contract No. H210634), substantially similar to Exhibits I and II, to extend the term effective October 1, 2004 through March 31, 2005, for the continued provision of contractor provided processing of Department of Health Services facility delinquent patient account letters, at a total estimated net County cost of \$264,425.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The purpose of the recommended action is to obtain Board approval of term extensions to the Delinquent Patient Account Collection Letter Services Agreements with CCI and USCB. The term extension(s) will allow for the continued provision of contractor provided preparation and transmission of collection letters to County patients with delinquent accounts (which supplement the Department of Health Services' [DHS or Department] collection efforts in generating incremental net revenue), while providing time for the Department to complete a competitive selection process.

(Note: the Department has found that it has a greater success rate in collecting on delinquent patient accounts when collection letters are sent out by a collection agency, such as CCI and USCB, as a follow-up to the initial letters sent out directly by the Department.)

FISCAL IMPACT/FINANCING:

The number of accounts to be referred during the six-month extension is estimated to be 76,395 to CCI at a total cost of \$159,665 (76,395 x \$2.09); and 54,000 to USCB at a total cost of \$104,760 (54,000 x \$1.94). Total estimated net County cost for the two agreements for the extension period, October 1, 2004 through March 31, 2005, is \$264,425, which is included in the Department's Fiscal Year (FY) 2004-05 Adopted Budget, and will be requested as part of a continuing appropriation in future fiscal years.

FACTS AND PROVISIONS\LEGAL REQUIREMENTS:

On September 26, 1996, the Board approved these Agreements, awarded as a result of a Request for Information (RFI) competitive selection process, with CCI and USCB, for the period of September 26, 1996 through June 30, 1997, with provisions for automatic renewals through June 30, 1999. On July 6, 1999, the Board approved Delinquent Patient Account Collection Letter Services Agreements with CCI and USCB for the period of July 1, 1999 through June 30, 2000, with provisions for automatic renewals through June 30, 2003. On June 17, 2003, the Board approved Amendment No. 1 to the Delinquent Patient Account Collection Letter Services Agreements with CCI and USCB, to extend the term effective July 1, 2003 through December 31, 2003, and to add recently Board mandated provisions. On December 16, 2003, the Board approved Amendment No. 2 to the Delinquent Patient Account Collection Letter Services Agreements to: 1) extend the term effective January 1, 2004 through September 30, 2004, 2) provide for an increase in the payment rate paid to CCI and USCB of \$2.09 and \$1.94 respectively, and 3) allow for future payment rate increases to reflect any increase in the United States postal rate.

CCI is currently providing services to Harbor/UCLA Medical Center, LAC+USC Medical Center, King/Drew Medical Center, Olive View/UCLA Medical Center and Rancho Los Amigos National Rehabilitation Center. USCB is providing services to the DHS Comprehensive Health Centers and Public Health Centers. However, CCI and USCB are not contractually restricted from providing services to any County hospital.

It is estimated that of the 152,790 annual accounts referred to CCI and the 108,000 annual accounts referred to USCB, \$5,699,000 in annual revenue (i.e., delinquent billings paid) will be generated.

This Amendment No. 3 will allow the DHS time to complete a new Invitation for Bid (IFB) competitive selection process for delinquent patient account collection letter services which is estimated to be completed by March 31, 2005.

The Amendments (Exhibits I and II) have been reviewed and approved as to form by County Counsel.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise amendments on the Los Angeles (L.A.) County Online Web Site as a contract/business opportunity.

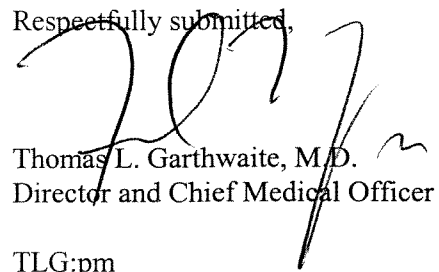
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure that delinquent patient account collection letter services continue uninterrupted through March 31, 2005.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:pm

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

gti:08/24/03
BLCDDDEL12.GI

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

Delinquent Patient Account Collect Letter Services assists DHS facilities by providing them with a supplemental means (i.e., using a collection agency) to prepare and transmit collection letters to County patients with delinquent accounts. The Department has found that it has a greater success rate in collecting on delinquent patient accounts when collection letters are sent out by a collection agency, such as CCI and USCB, in addition to the initial collection letters sent out directly by the Department itself.

2. **AGENCY ADDRESSES AND CONTACT PERSONS:**

Computer Credit, Inc.
640 West 4th Street
Winston-Salem, North Carolina 27101
Attention: Mr. J. Gilmour Lake,
President
Telephone/Facsimile (FAX) Number: (336) 761-1524/FAX: (336) 761-8852

USCB, Inc.
125 South Vermont Avenue
Los Angeles, California 90004
Attention: Mr. Albert Cadena,
Vice President, Health Services
Telephone/Facsimile (FAX) Number: (213) 387-6181/FAX (213) 739-7630
E-Mail Address: acadena@uscbinc.com

3. **TERM:**

October 1, 2005 through March 31, 2005.

4. **FINANCIAL INFORMATION:**

The number of accounts to be referred during the six month extension is estimated to be 76,395 to CCI at a total cost of $(76,395 \times \$2.09 =)$ \$159,665; and 54,000 to USCB at a total cost of $(54,000 \times \$1.94 =)$ \$104,760. Total estimated net County cost for the two agreements for the extension period, October 1, 2004 through March 31, 2005, is \$264,425, which is included in the Department's Fiscal Year (FY) 2004-05 Adopted Budget, and will be requested as part of a continuing appropriation in future fiscal years.

5. **ACCOUNTABLE FOR MONITORING AND EVALUATION:**

Patricia Adams, Chief, Revenue Management

6. **APPROVALS:**

Finance: Gary W. Wells, Director of Finance

Contract Administration: Irene E. Riley, Director

County Counsel (approval as to form): Robert E. Ragland, Senior Deputy County Counsel

EXHIBIT I

Contract No. H210688-3

DELINQUENT PATIENT ACCOUNT COLLECTION LETTER SERVICES AGREEMENT

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	COMPUTER CREDIT, INC. (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"DELINQUENT PATIENT ACCOUNT COLLECTION LETTER SERVICES", dated
July 6, 1999, and further identified as County Agreement No.
H210688, and any amendments thereto, (all hereafter "Agreement");
and

WHEREAS, it is the intent of the parties hereto to amend
Agreement to extend the term and to make other hereafter
described changes; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective on October 1, 2004.

2. The term of this Agreement is hereby extended six (6) months from October 1, 2004 through March 31, 2005, without further action by the parties unless sooner terminated or canceled as provided in this Agreement hereinbelow.

Notwithstanding any other termination provision found within this Agreement, either party may cancel or terminate this Agreement at any time, for any reason, during this Agreement term, by giving written notice to the other of such cancellation or termination. Such notice must be delivered to the other party at least thirty (30) calendar days prior to the cancellation or termination date. Written notice of such cancellation or termination must be delivered via facsimile ("FAX") transmission and/or by United States ("U.S.") Mail (e.g., Certified, U.S. Express, U.S. Priority, or Registered Mail, return receipt requested).

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

COMPUTER CREDIT, INC.
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

gti:08/12/04
AMCDCCI3.GI

EXHIBIT II

Contract No. H210634-3

DELINQUENT PATIENT ACCOUNT COLLECTION LETTER SERVICES AGREEMENT

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	USCB, INCORPORATED (hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"DELINQUENT PATIENT ACCOUNT COLLECTION LETTER SERVICES", dated
July 6, 1999, and further identified as County Agreement No.
H210634, and any amendments thereto, (all hereafter "Agreement");
and

WHEREAS, it is the intent of the parties hereto to amend
Agreement to extend the term and to make other hereafter
described changes; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective on October 1, 2004.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical
Officer

USCB, INCORPORATED
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

gti:08/12/04
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